



SIERRA VISTA THE HERALD

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Dean Martin says state treasury safe for taxpayers' cash



SIERRA VISTA — Touting his reform of the office, State Treasurer Dean Martin visited Cochise County this week.

Martin, who spent six years in the Legislature (in the former District 24 turned 6, in the North Central Valley) and served as chairman of the Senate Finance Committee, was elected last November. He replaced fellow Republican David Petersen, under whom the treasury fell into disarray.

Martin is spending all week in Southeast Arizona — traveling 1,440 miles — “to let everybody know we’ve cleaned the place up, and it’s a safe place to put your money.”

The treasury is “essentially the state’s bank,” Martin said. His office manages nearly \$12.2 billion in assets. Those are placed in fixed income and equity investments in 26 different investment pools.

Virtually all municipalities in Cochise County and the county government itself are depositors in the state’s bank. Cochise College also uses the treasury.

One chunk of the assets — the Permanent Endowment Fund — has a market value of \$2.4 billion. It was established in the Arizona Constitution in 1912 and is designed to invest earnings from sales of state lands.

Confidence in the Arizona Treasury is returning, Martin said, pointing out that Coconino County recently deposited \$30 million. Pima County is another large depositor. Gila Indian Reservation is the largest.

The state charges a modest 8 basis points (0.008 of the deposit) as a management fee, which doesn’t go to the treasury but rather to the general fund.

Ninety percent of the investments are fixed income. The Arizona Treasury’s motto is “Safety before liquidity before yield.” Martin will not put funds into high-risk investments.

“That’s how Orange County got in trouble,” he said, referring to the California county’s spectacular financial meltdown in the 1990s.

Martin said he was the first entrepreneurship studies graduate from Arizona State University. After receiving his bachelor’s degree, he started a demographics and database business. Then he moved into politics.

A public official who has been lauded for his commitment to a government of open records, the 32-year-old Martin is proud of the fact that the Arizona Treasury distributed \$447 million in earnings in fiscal year 2007, which ended June 30.

Martin said he is the only state official who makes money for the taxpayers.

“I don’t spend it,” he says with a grin.

Ted Morris, Herald/Review